



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

JUL 25 2014

CERTIFIED MAIL NO.: 7012 1640 0001 2190 5072
RETURN RECEIPT REQUESTED
In Reply Refer to:
Rancho San Pedro Terminal, San Pedro, CA

Mr. Ron Conrow
Western District Manager
Rancho LPG Holdings LLC
333 Clay Street, Suite 1600
Houston, Texas 77002

RE: Issuance of Consent Agreement and Final Order
Rancho LPG Holdings LLC, San Pedro, California
EPA Docket No. CAA-9-2014-0001

Dear Mr. Conrow:

Enclosed please find the Consent Agreement and Final Order ("CA/FO") that has been issued with respect to the above-referenced matter. Region IX's Regional Judicial Officer has signed the Final Order. As stated in the agreement, your payment of \$260,000 is due within thirty days of the Effective Date.

By letter dated March 14, 2013, the U.S. Environmental Protection Agency ("EPA") advised Rancho LPG Holdings, LLC ("Rancho") of six potential violations of Section 112(r)(7) of the Clean Air Act at Rancho's San Pedro Terminal facility at 2110 North Gaffey Street, in San Pedro, California (the "Facility"). The purpose of that letter was to provide Rancho with notice regarding EPA's information regarding six potential violations and to invite Rancho to provide additional information to further inform EPA's consideration of the potential violations. Rancho provided additional information to EPA both by in writing and in subsequent meetings with EPA over the last year. EPA and Rancho are resolving four of the potential violations in the CA/FO.

Based on the information currently available to EPA, by this letter EPA confirms that at this time it will not further pursue the other two of the six potential violations. Specifically, EPA acknowledges that the rail storage area within the Facility is a single "process" for the purpose of the Chemical Accident Prevention Provisions at 40 C.F.R. Part 68, and that consequence planning radius associated with the rail storage area is assessed within the radius associated with

other areas of the Facility. Accordingly, EPA does not anticipate alleging any violation based on 40 C.F.R. § 68.12(a) and (b). Additionally, EPA acknowledges that the Facility's emergency response plan identified the facility as a non-responding facility and that appropriate mechanisms are in place to notify emergency responders when there is a need for a response. Accordingly, EPA does not anticipate alleging any violation based on 40 C.F.R. § 68.90 or 68.95.

Although EPA does not anticipate alleging any violation based on 40 C.F.R. § 68.90 or 68.95, EPA strongly encourages Rancho LPG Holdings to maintain a dynamic emergency preparedness and response coordination and communication program with the City and County of Los Angeles, as well as the surrounding community. The President's Executive Order on Chemical Safety and Security, issued in August 2013, emphasizes the critical importance of providing local responders with information, training and response collaboration in order to ensure that communities and responders are best protected from accidental releases of hazardous substances. Given the large quantities of flammables stored at Rancho and the proximity of nearby residences, businesses and schools, it is imperative that Rancho's response coordination efforts are robust.

If there remain questions regarding the CA/FO or the issues alleged in EPA's March 14, 2013 letter, please contact Mary Wesling of my staff at (415) 972-3080 or Wesling.Mary@epa.gov. Please direct any questions or inquiries from legal counsel to Andrew Helmlinger, EPA Counsel, at (415) 972-3904 or Helmlinger.Andrew@epa.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Enrique Manzanilla', with a long horizontal flourish extending to the right.

Enrique Manzanilla, Director
Superfund Division
U.S. Environmental Protection Agency, Region IX

cc:

Tony Puckett, Plains LPG Services, LLC, Houston, TX
M. Wesling, U.S. EPA Region IX
A. Helmlinger, U.S. EPA Region IX